

Why Good People Can't Get Jobs: The Skills Gap and What Companies Can Do About It

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Peter Cappelli confronts the myth of the skills gap and provides an actionable path forward to put people back to work.

Even in a time of perilously high unemployment, companies contend that they cannot find the employees they need. Pointing to a skills gap, employers argue applicants are simply not qualified; schools aren't preparing students for jobs; the government isn't letting in enough high-skill immigrants; and even when the match is right, prospective employees won't accept jobs at the wages offered.

In this powerful and fast-reading book, Peter Cappelli, Wharton management professor and director of Wharton's Center for Human Resources, debunks the arguments and exposes the real reasons good people can't get hired. Drawing on jobs data, anecdotes from all sides of the employer-employee divide, and interviews with jobs professionals, he explores the paradoxical forces bearing down on the American workplace and lays out solutions that can help us break through what has become a crippling employer-employee stand-off.

Among the questions he confronts: Is there really a skills gap? To what extent is the hiring process being held hostage by automated software that can crunch thousands of applications an hour? What kind of training could best bridge the gap between employer expectations and applicant realities, and who should foot the bill for it? Are schools really at fault?

Named one of *HR Magazine*'s Top 20 Most Influential Thinkers of 2011, Cappelli not only changes the way we think about hiring but points the way forward to rev America's job engine again.

Why Good People Can't Get Jobs: The Skills Gap and What Companies Can Do About It Details

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John says

This short e-book (approx. 100 pages) debunks claims that high unemployment levels in the US are the result of mismatches between worker skills and employer needs. A scholar at the University of Pennsylvania, Peter Cappelli looks at the evidence related to skill mismatches on both the supply and demand side of the labor market and judges that evidence unpersuasive. He then looks at something that usually is overlooked: the practices of employers themselves, such as a general refusal to adjust wages to balance supply and demand, a lack of recruitment intensity, a refusal to invest in any form of on-the-job-training, a tendency to define applicable experience very narrowly, an unwillingness to make any kind of commitment to employees, and the gutting of HR offices and functions. This short, inexpensive e-book challenges assumptions and aims to move people beyond blaming the unemployed and identifying the contributions of employer practices and public policies to the creation of the mass unemployment economy of recent years.

Charlie says

This short book does a very effective job at starting a conversation around employability and the statistics that are often bandied about. It gives insight into some of the forces in the employment ecosystem that contribute to whole populations getting jobs or not. The book sheds light on some of the myths that are perpetuated by big corporations and indicates some of the origins of those myths. It is a very good read, and is sure to change your thinking about suitably qualified and experienced people in your own domain.

Sally says

Excellent synopsis of what's happening in Australia too. I could have written this book with all the specific grumbling I've been doing. There were no surprises for me but plenty of validation.

I have two years of experience in the recruitment sector, a business degree and a Masters, yet I'm currently unemployed - and having an insiders understanding from the recruitment experience doesn't help at all.

All politicians should read this book and all employers who feel they have a problem with hiring new staff.

Eugene Kernes says

Demystification of the most popular labor myths. Cappelli tells the story from the general perspective, usually of the employers who make claims about labor conditions, and then explains the actual empirical reason for the supposed problems. The story from employers, whether the blame on education or the skills of the labor force, are heard more often as the employers have the capacity to be loud in their claims, but that does not make them right. As this book shows, the supposed problems of the labor force are actually created by the very employers who claim those problems as true. Employers unwittingly but purposefully create the

conditions for the failure to acquire the right employees.

Going from supply, demand, skill expectations, education and training, Cappelli covers the labor issues from various vantage points. Employers want the candidate with skills, but claim a skill gap when their offered wage is not accepted by the candidates with skills they need. Employers seem to think that schools and those wanting employment can guess precisely which tasks and skills are needed in the future.

Students in fact do major in fields which have a demand for, but cannot get the require experience because each job requires prior experience. School does not matter but employers, as their surveys shows that the school skills are pretty low in what they are seeking, but still require huge expenditures on education. Blaming education and schools for the lack of employee skills even though the skills cannot be learned in school and can be learned on site with a bit of training. Setting applicant requires at such a granular level that many of the positions that have a vacancy require a similar prior title, even though the title is specific to each employer and are not generic. The skill gap can be narrowed if the employers train the employees, but employers claim that costs of training are too high without knowing the cost of the keeping a vacancy.

Due to the cooperative nature of work, the value of each employee is not easy to determine unlike the costs of operations. This book shows that the skill gap is more imaginary than not coming from employers unable to fill positions due to seeking an unrealistic perfect candidate. There is a dig problem with the way employers find the right employees. Cappelli pushes for apprenticeships as the solution to the pretentious skill gap. A quick and easy read with depth makes this book a really good source for employers to look for solutions to the labor problem.

Jeremy says

I'm hoping this quick read crosses the desks of hiring managers and CEOs alike.

Jacob says

This is kind of a glorified article. The author's argument is that there are three reasons there are people out of work and available jobs and the two are not getting resolved with each other, and Cappelli's arguments are good. They're just maybe not quite enough to fill out a book, even as short as this one.

Like the author, I also don't buy the common assertions about why jobs are going unfilled. I tend to suspect that employers simply aren't willing to pay for the qualifications they want. Cappelli blames the insistence on the automation of searching among job candidates. With an automated system, employers search for the words they want, but they never see the resumes unless those resumes already match what they are looking for. As someone who works with databases, I am only too familiar with the problem of not being aware that there's data you should be seeing and aren't -- it's hard to notice as long as you're getting something to look at. But I also feel like employers are increasingly unwilling to train or hire someone to grow into the role. Cappelli agrees with that, and provides some evidence that the lack of skills employers complain about is much more likely the fault of employers' unwillingness to train than schools not teaching students the skills they need.

I've also seen firsthand how difficult it can be to tell someone's suitability for a position through the traditional interview process. It's pretty terrible and most people are bad at interviewing, including myself, but I don't see anything much better yet. Cappelli's suggestions are good ideas, but I also don't see them revolutionizing the hiring process yet.

Tamara Hull says

This was such an insightful read. I'm currently job hunting due to an international repatriation and had been becoming more and more disillusioned with the inability to find a job, despite qualifications and many years of experience.

Professor Cappelli's arguments with respect to the perceived skills mismatch make a great deal of sense and the failings of the current system pertaining the use of technology for applicant screening clarified many of the challenges facing recruiters, employers, applicants and the wider social construct.

I highly recommend this book for anybody undertaking Human Resource studies or management and for recruiters as well as potential job seekers. The book won't help applicants but you may find it helps retain your confidence.

That Professor Cappelli has written what is an academic piece but framed in in such a way to facilitate clear understanding from the lay person adds significant value and his background lends credence and weight to the message.

Gwen says

I'm sure that economists and employment analysts could pick apart Cappelli's argument and rip it to shreds, but for this reader, I find the supporting evidence largely plausible. If you've read his articles in the NYTimes and elsewhere, it's very similar to what he's written in the past, just neatly bundled up. (As of September 12, 2012, this book is free for Kindles.)

Overall, I recommend this short work--I've got a few issues with his evidence (or lack thereof), and I wanted so much more in the way of examples, but for an excellent and all too brief exploration of aspects of the current system, Cappelli's work is a must-read.

A couple of myths Cappelli tries to disprove (not an all-inclusive list):

1) Employers can't find workers with adequate skills to fill available jobs. No real evidence for this. (Although personally, I'm skeptical of Cappelli's proof of this one--he bases his argument on one little chart and covers this myth in two pages.)

2) Employers can't find workers willing to take jobs at the going wages. "Just as there is no shortage of diamonds even though they are expensive--you can buy all you want at the market price--not being able or willing to pay the market price for talent does not constitute a shortage."

3) Skill shortages are only part of the problem. Employers must also deal with a lack of knowledge and

experience. This is the whole "you need experience to get a job" Catch-22 situation.

4) Even when workers are skilled, knowledgeable, and experienced--and the pay is commensurate with talent--they are often reluctant to go where the good jobs are. "Employment is a two-way street."

5) Students lack the basic competency needed to succeed in the workplace. Public schools are failing their students, their families, the nation's employers, and society as a whole. Employers have had the same criticisms for years; the current state of school output hasn't changed all that much. (Again, I'm skeptical of this, especially in light of No Child Left Behind and an overemphasis on standardized testing instead of critical thinking.) In the last chapter, Cappelli hits on a topic that it seems America has forgotten: technical schools and apprenticeships. After spending many years in Europe and seeing how their process works, I think they're on to something. (I'm not an economist, let alone one who studies European education systems, so what do I know?) But as Cappelli (sadly) correctly points out, the U.S. is too large and too fragmented (and I'd also venture out on a limb and say federalism is a large part of this) to make either apprenticeship programs or government-sponsored tech schools viable options to solving the crisis. His solution (far too weakly explored, in my opinion) is to heavily emphasize co-ops during college. I agree, but I wish he would have given us more evidence to how co-op students succeed.

6) Not enough Americans are graduating from college. The problem of not finishing college, really. So then enough Americans are graduating from college? Considering that so many jobs that require a college degree don't actually need them, I'm kind of wondering if we have too many people graduating from college, leading to an academic arms race, leading to admin assistant positions requiring master's degrees (seriously).

7) Even among college graduates, too many didn't major in fields where the jobs are. Ah, the standard response. "Why didn't you study science? Or math? Or engineering? Or computers?" (Maybe because I'm absolutely terrible in those fields...?) And even science jobs aren't always easy to come by. But students have changed their focus of study, even though they will naturally be years behind the trend. We're always trying to play catch-up to the job market, but we're not stupid--we are able to figure out the direction the market is going even though we know we can never truly catch up to where the market thinks we should be.

8) It's a skills gap, not a training gap. Employers have stopped training their workers, preferring employees to be 100% ready and qualified at all times. There's so little professional development in the industry today, to the extent that I was completely floored when one of my friends said that her company would help pay for training, even though my older cousins said that this was standard at workplaces in the 1990s. I've never had that opportunity. Cappelli remarks that this largely based on employers' fear of employee flight, which, while reasonable to a degree, "is one compounded by an environment in which every employer wants trained workers and no one wants to pay for their training." Employers don't want to take the chance to see if a potential employee *could* do the job instead of coming in with years of experience--they're letting the perfect be the enemy of the good and allowing positions to go vacant.

THE HIRING PROCESS Of all the parts about job hunting that I hate, this part is the worst. Cutbacks in HR departments, credential creep, and nonsensical requirements--not to mention the need to optimize your resume and cover letter so that automated screeners will accept it--mean that employers are essentially "looking for a unicorn," and "managers pile all the credentials and expertise into the job description to minimize the risk that the candidate will fail, making it virtually impossible to find anyone who fits."

I'm so thankful that Cappelli points out the pitfalls of automated software programs for screening applicantsit's always nice to hear validation to your frustrations. It's true: with the salary field, you're 'damned if you do, damned if you don't' when answering. And not recognizing transferable skills. This is so crucial. So I can't (right now) use program A, but if I'm able to successfully use programs X, Y, and Z--all related to program A--I should be able to use the skills I have from other programs to figure out this one.

As an aspiring copyeditor, I disagree with Cappelli's assertion that "word processing, a fancy combination of software and computer technology, which now fixes typos and spelling errors, handles breaks in lines, and formats all automatically, tasks that used to require some real skill from copy editors and typists but can now be done by virtually anyone." No, no it can't. People *think* they can, but so many of them have no idea about proper grammar and formatting. And it shows.

I also don't agree with Cappelli's belief that you should submit a resume/cover letter in MS Word over a pdf--the potential for version issues, broken formatting, and file errors is so high.

Arda Gezdur says

beat the engine look at apprentice programs

Eddie says

This book caught my attention because Cappelli, a business professor, wrote it after his son, a graduate of St. John's College, couldn't find work.

His thesis is simple: good people can't find jobs because companies are incompetent about hiring. The 2008 financial collapse is just the latest in a long line of excuses going back 20 years. Cappelli spends most of the book picking apart employer's objections: skills gap, salary, geography, poor public school education, college graduates majoring in the wrong field.

The real problem, Capelli argues, is that companies only want to hire employees who are already fully qualified before they start working. Resumes are now screened by computers, which disqualify candidates whose resumes aren't loaded down with the proper keywords. Investment in on the job training has disappeared. Employers are chasing unicorns and blaming everyone and everything except themselves when they come back empty handed.

I've been on both sides of this problem. As a job seeker, the only time I've had success is when I bypass online applications and deliver my resume directly to a human being. Skill sets change frequently, and I've personally seen employers have far more success when hiring self-motivated candidates with a strong work ethic and willingness to learn.

It's a stupid simple idea. Why can't the business world acknowledge it?

Jonna Higgins-Freese says

Gwen gives a great synopsis. But there were also some really funny/sardonic lines:

"not being able or willing to pay the market price for talent does not constitute a shortage" (11)

Re: low unemployment for those w/ BA's: "the lower unemployment rate for college graduates comes from the fact that college graduates can also do the jobs that require only a high school degree, and arguably do

them better, so they win the competition for those openings. When applicants far outnumber job openings, the overqualified bump out those only adequately qualified" (26).

"The percentage of employees who are overqualified for their jobs, as defined by having at least three more years of education than is required by the job they hold, is about three times greater than the proportion of people who are underqualified using the same criterion. And the proportion of overqualified has more than doubled over the past generation." (27), citing Steve B. Vaisey, "Education and its Discontents, 1972-2002, Overqualification in America" Social Forces 85, no. 2 (December 2006).

"If everyone [gets a college degree, even if there are no jobs that require such degrees, because then one can beat out those who do not have such degrees], we have something like an arms race, where individuals and their families invest in credentials that are not required for the jobs they end up doing but that may nevertheless be necessary for them to obtain those jobs" (27).

"To recap, then, the hardest-to-fill jobs appear to be those that often require the least skills, employers are frequently unwilling to offer the wages necessary to attract the skill set they seek, knowledge is evanescent and experience frequently as hard to attain as King Arthur's magic sword, and would-be employees are wary of uprooting themselves and their families for increasingly short-term job security" (39).

Re: the myth of US school underperformance: "OECD show[s] US students about in the middle of industrial economies. It is true that we used to be higher up, but our relative fall is largely representative of other countries catching up, especially those in Asia, where, until recent decades, economies and levels of public spending were modest. Meanwhile, there is no evidence of any absolute decline in US scores or even of a sharp decline relative to other countries" (47).

"Russia has the highest percentage [of postsecondary credentials] across all ages combined, which reminds us that an economy's success is not related to education in any simple fashion" (48).

Most of today's workforce is doing without any kind of training at all in the past 5 years (70).

Crystal Lewis says

Worth a read, but now what?

I started this book when I was job hunting, hoping for insight. But finished after 6 months at my new HR role. I think the author makes some good points, and successfully debunked the skills gap myth for me. But I do not think he accomplished the call to action needed to get the industry into gear.

Violet says

Too bad your prospective employer will not read this book.

Heidi says

Listened to the audiobook. Outlines a lot of the problems with hiring practices in the United States: employers who are unwilling to train new hires, looking for a perfect fit, or who rely on resume reading software to sort applicants. Also gives some suggestions on how US businesses should change their hiring practices to make them more effective.

Dave says

A quick and insightful read about why so many in America are not capable of finding work commensurate with their intelligence and work ethic. The main culprits:

- Companies largely refuse to train people
- Not enough of a corporate/education partnership on teaching the right skills
- HR using fallible filtering methods on resumes

- Too much unicorn hunting, always hoping the perfect fit, and one who is not seeking a high wage, will walk through the door if we just wait a little bit longer